

EXHIBIT 16

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

COMMONWEALTH OF
MASSACHUSETTS, et al.,

Plaintiffs,

v.

NATIONAL INSTITUTES OF HEALTH,
et al.,

Defendants.

Case No. _____

Declaration of Dr. Darryl J. Pines

I, Dr. Darryll J. Pines, hereby declare:

1. I am the President of the University of Maryland, College Park (“UMCP”), a constituent institution of the University System of Maryland (“USM”), the State of Maryland’s public system of higher education.. This is a position I have held since 2020. As President, I have statutory responsibility and accountability to the USM’s governing board, the Board of Regents, for developing the mission and successful conduct of UMCP and for the supervision of each of UMCP’s schools and colleges. Prior to holding this position, I was the Dean of the A. James Clark School of Engineering at UMCP, a position I held for 11 years.
2. As the President, I have personal knowledge of the matters set forth below, or have knowledge of the matters based on my review of information and records gathered by my staff.

3. I am providing this declaration to explain certain impacts of National Institutes of Health (“NIH”) Notice Number NOT-OD-25-068, *Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates*, which purports to immediately reduce indirect costs rates (i.e., Facilities and Administrative (“F&A”) rates) to fifteen percent (15%).
4. UMCP is the State of Maryland’s flagship research university and is ranked by Forbes as #12 in the United States among public universities. UMCP enrolls over 40,000 students across twelve schools and colleges and an interdisciplinary Graduate School, and offers over 300 degree programs. UMCP is a global leader in numerous areas of study, including health, data science, climate science, and more. UMCP, along with its sister institution the University of Maryland, Baltimore (“UMB”), engages in cross-cutting research that highlights the intersection of engineering, computer science, AI, and medicine. As one of the nation’s leading research universities, UMCP is well positioned to advance and translate public health knowledge to improve health and well-being. Faculty and students are involved in a broad range of scientific endeavors and research centers whose focus spans from the cellular to the societal level. UMCP’s laboratories and research programs rely, in part, on NIH funding to make a difference in critical areas, from understanding how respiratory viruses spread through air to climate change’s impacts on health, physical activity’s benefits to aging brains, innovative approaches to treating cancer, and advancing health equity, among others.
5. UMCP’s research is supported by a number of different federal agencies. UMCP’s extramural funding totaled over \$703 million in State Fiscal Year (“FY”) 2024, including \$68 million in funding awarded directly by the NIH and \$9 million in funding awarded on a pass-through basis from the NIH.

6. UMCP has a Negotiated Indirect Cost Rate Agreement (“NICRA”) with the U.S. Department of Health and Human Services dated June 24, 2024. The Indirect Cost (“IDC”) Rate in UMPC’s NICRA is fifty-six percent (56%) for on-campus organized research. All costs included in UMCP’s IDC were determined to be allowable (i.e., permitted to be charged to the Federal Government) based on substantial evidence UMCP produced during the most recent NICRA.
7. UMCP’s total blended IDC rate for NIH and other Federal Government funding is already capped by the Federal Government at twenty-six percent (26%) for Administrative costs and is negotiated at thirty percent (30%) for Facilities costs.
8. NIH’s reduction of UMCP’s IDC rate(s) will eliminate approximately \$6 million in funding to UMCP for State FY25 and \$16 million for State FY26 – funding that UMCP uses to support its research programs.¹ The loss of these funds will immediately impact UMCP’s ability to fund administrative (e.g., department, school, and central administrative payroll and operations) and facilities (e.g., utilities, debt service, maintenance and environmental services personnel and operating costs, and facility renewal) costs in support of NIH research. A reduction in the NIH IDC rate impacts research administration centrally at UMCP and also at the unit level (e.g., colleges/schools and departments).
9. The reduction in IDC rates will directly and severely impact UMCP’s ability to submit proposals, negotiate subawards, engage in subrecipient monitoring, comply with financial,

¹ These are estimated numbers only and are not provided for audit purposes.

audit, and internal control requirements, and comply with regulatory oversight responsibilities. Those regulatory compliance obligations include but are not limited to operations of:

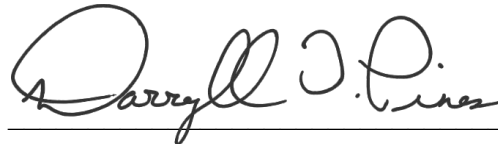
- (a) the Human Research Protections Office, including the Institutional Review Board, which protects human research subjects;
- (b) the Institutional Animal Care and Use Committee and Department of Laboratory Animal Resources, which protect animal research subjects;
- (c) the Institutional Biosafety Committee, which reviews and oversees research involving potentially infectious materials;
- (d) the Research Security Office, which protects UMCP's research enterprise against malign foreign influence;
- (e) the Disclosure Office, which protects against conflicts of interest in federally-funded research;
- (f) the Office of Integrity and Responsible Conduct, which handles research misconduct proceedings in compliance with the NIH Office of Intramural Research requirements; and
- (g) the Office of Research Safety, which supports the UMCP research community in meeting regulatory requirements and managing health and safety risks related to research activities, including but not limited to biosafety, laboratory safety, and radiation safety.

10. UMCP's sister campus, UMB, performs NIH-funded clinical trials, and UMCP performs other crucial research funded by NIH. At UMCP, NIH funding accounted for nearly ten percent (10%) of UMCP's total funding in FY24.
11. The magnitude of this level of reduction in IDC rates will decimate UMCP's translational and life saving research programs. Research cannot occur absent the critical support structures that IDC reimbursement funds. The existing Federal Government cap of twenty-six percent (26%) on the administrative component of IDC rates, coupled with increasing federal compliance regulations, has put pressure on UMCP to maintain a culture of compliance with limited resources. Imposing yet another cut to both the facilities and administrative cost rates that make up the IDC rate will force a decrease in the compliance oversight structure associated with these regulations, unnecessarily creating more challenges to ensure the safety and integrity of the research enterprise, as well as compliance with increasing regulatory requirements to protect and preserve U.S. national security.
12. With regard to the facilities rate component of IDC rates, the ever-changing landscape of research priorities is always constrained by an institution's ability and agility to stand up the infrastructures needed to support that research – the buildings and equipment that NIH's facilities costs help support and which allow faculty, staff, and graduate students to perform critical work. That infrastructure is needed to maintain the highest quality of outcomes that benefit the public, which is the core mission of the NIH – to provide a public good.
13. I believe that these reductions in IDCs will not just harm UMCP's research enterprise and the research enterprises of other universities, but will result in U.S. research falling further

behind that of other countries. It will be difficult for the U.S. to overcome challenges related to the elimination of faculty, staff, and graduate assistant positions funded directly and indirectly by research dollars, the resulting safety and compliance issues, and the lack of current facilities and equipment to support and spur cutting edge research activities. All will have an immediate and lasting negative impact on UMCP's mission to improve the human condition and to serve the public good of Maryland and society at large through education, research, clinical care, and service.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 9th day of February, 2025, in College Park, Maryland.

A handwritten signature in black ink, reading "Darryll J. Pines", written over a horizontal line.

Dr. Darryll J. Pines

President and Glenn L. Martin Professor of
Aerospace Engineering
University of Maryland College Park